

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KEN-GAS OF KENTUCKY,)
INC., FOR A CERTIFICATE OF PUBLIC) CASE NO. 9586
CONVENIENCE AND NECESSITY)

O R D E R

IT IS ORDERED that Ken-Gas of Kentucky, Inc., ("Ken-Gas") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. The information requested herein is due no later than February 20, 1987. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

Information Request No. 2

1. With reference to the financing portion of this case, provide the actual loan documents which include all terms of the financing plan for which Ken-Gas is requesting approval. The documents may be unexecuted, but should reflect all actual terms and conditions pertaining to the requested financing.

2. In response to Question 11d of the information filed January 16, 1987, it is stated that documentation exists which demonstrates that the gas system can be built for less than the original estimate of January 1986. Please provide the information that supports this statement.

3. In comparing the January 1986 construction estimate with the most recent construction estimate, several cost estimates have been reduced or eliminated. Please explain the basis and reasons for the following changes:

a. Four-inch steel pipe is no longer included.

b. The cost per foot to install 2- and 4-inch plastic pipe by trenching and underboring has been reduced \$0.50 and \$1.00, respectively.

c. Despite the reduction in installation costs for 2- and 4-inch pipe, the cost to install 3/4-inch services has remained the same.

d. The cost for installation of each large customer service has been reduced from \$2,000 to \$725 each.

e. The cost of main line valves has been reduced from \$7,000 to \$3,500.

f. The cost of the meter regulator station has been reduced from \$20,000 to \$12,500.

g. The cost for miscellaneous telemetry and recording gauges has been reduced from \$10,000 to \$6,000.

h. An allocation of \$20,000 for 100 days of inspection has been eliminated.

4. In Schedule VII of the information presented January 16, 1987, a letter from Kentucky Energy Transmission, Inc., ("K.E.T.") is included which states that projected transmission costs and the assignment of responsibilities in the proposed project will be defined at a later date.

a. Is the "proposed project" the interconnection of K.E.T.'s production of natural gas with the Ken-Gas distribution system?

b. If construction of interconnection facilities is required (pipeline, valves, etc.), is it anticipated that Ken-Gas will incur any portion of the costs? How much or what percent?

c. Is Ken-Gas' portion of these costs included in the most recent construction estimate presented? If not, how does Ken-Gas propose to pay for these costs?

d. What does Ken-Gas estimate the transmission costs to be?

Done at Frankfort, Kentucky, this 6th day of February, 1987.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director